



PETZOLD'S
MARINE CENTER

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Finance Revenue and Bonding Committee
Room 3700
Legislature Office Building
Hartford, CT 06106

March 18, 2013

Dear Committee Members,

My name is Robert Petzold, and I currently own and operate a family run boat sales and service facility started sixty-seven years ago in Portland. Our business employs over twenty full-time men and women.

I am asking for your support of **S.B. 1117, An Act Concerning the Taxation of boats and the repeal of the luxury tax.**

My business is one of the largest "big" boat dealers in the state; I am considered the dealer who sells boats to the so-called "rich", which this tax was to effect. We as a business have seen a steep decline in boat sales over \$100,000, since this tax was implemented. Many of these potential customers view this as an optional tax and this ultimately causes them to postpone their purchases. When you look at the statistics, showing the state only collected a meager \$70,000 in luxury taxes last year, it is obvious that the potential income collected from additional boat sales would more that make up for, if not exceed the current figure. This tax has not effected the rich, it has effected dealers like myself in lost revenues from lost sales.

Boat sales under \$100,000 are rising steadily, and that is definitely encouraging, however those same boats are generally trailered and do not provide the state with any additional or subsequent income. Unlike the afore mentioned boats, boats over \$100,000 are generally held in slips at Connecticut marina's where they are also serviced. Boat owners purchase fuel, and support shoreline business, such as restaurants, shops, grocery and package stores, just to name a few. These purchase create revenue through taxes, and also promote job growth within the state.

My dealership has not inventoried boats under \$100,000 in over fifteen years, however the decline in the market over \$100,000 has forced us to take on a new line of boats in that price range. We did this in order to create cash flow and keep all my employees working, something that is very important to me. This venture of getting into the small boat market, comes at a considerate risk and cost to my business and myself. More inventory, special tools, training and rebranding are just some examples of these risks.

The Luxury Tax is just that, a luxury, one many buyers choose not to pay. The marine industry is now paying the ultimate price in lost revenue. Revenue lost from

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sales, slip rentals, fuel purchases, and services just to name a few. But we are not the only ones affected by this; the state of Connecticut is a loser also, the states loss; the tax on all these potential purchases.

I would like to thank you for the opportunity to let me express my concerns and make you aware of the affect this tax has on not only my business but also all of the marine industry. I would ask that you support the repeal of the luxury tax, which I firmly believe would result in more boat sales, more sales of products and services, ultimately providing the state of Connecticut with revenue gained from taxation of these transactions. I believe the taxable income on what I have just outlined, would more then exceed the \$70,000.00 currently collected from the luxury tax. More sales equal more revenue and more jobs!

Sincerely,



Robert Petzold, President
Petzold's Marine Center